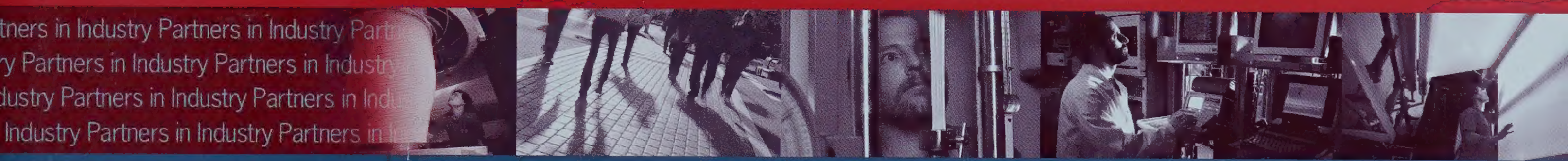
Building for the future



Trimin Capital Corp. Annual Report 2000

Industry Partners in Industry Par

Trimin Capital Corp. is a management company. Trimin's strategy is to acquire large equity interests in operating businesses – its "Partners in Industry" – and build value for its shareholders through a combination of the established financial skills of its corporate management and the strong operating management teams of acquired businesses.

Building for the future

During 2000, Trimin divided its efforts between supporting the growth of its existing three Partners and pursuing new investment opportunities. An integral part of Trimin's strategy is to "partner" with a few select operating companies rather than building a "portfolio" of investments. As such, Trimin remains very selective in the addition of new Partners. Currently, Trimin's Partners consist of the following three businesses.

Burntsand
Business to the power of e

Burntsand Inc. is an e-Business Solutions Integrator focusing on the SellSide areas of e-Commerce, e-Customer Relationship Management and e-Content Management and Inside application areas such as Business Intelligence and global Knowledge Management Solutions. Burntsand's e-Services encompass the strategy, technical and creative disciplines required to define and implement these strategic e-Business solutions. The majority of Burntsand's initiatives are in support of traditional blue-chip customers, extending reach and driving organizational efficiencies through strategic Internet enablement. As at December 31, 2000 Trimin's indirect equity interest in TSE listed Burntsand was 6.3% (approximately 4,044,000 shares).

StreetPrint
PAVEMENT TEXTURING

Integrated Paving Concepts Inc. is an industrial technology company that manufactures and distributes products to the asphalt paving industry worldwide. Its primary product is the proprietary StreetPrint Pavement Texturing system, an asphalt paving process that produces authentic looking images of brick, stone and other forms of decorative paving. As at December 31, 2000 Trimin owned 44.6% of TSE listed IPC (approximately 3,333,000 shares).

Snack Alliance Inc.
Your Partner in Snack Foods

Snakcorp Holdings Inc., together with its subsidiaries Nalley's Canada Limited and Snakcorp, Inc. (collectively "Snack Alliance"), sells both private label and branded dip and salsa products in Western Canada and private label potato chips in Western North America. Snack Alliance's focus is on growing its leading position in the Western North American private label potato chip market. Trimin owns 50% of privately held Snack Alliance, with Snack Alliance management owning the balance.

Corporate Highlights

- Trimin reviewed a number of new opportunities during 2000 but no new Partners were added.
- At year-end, Trimin has $46 million in cash and near cash investments to fund further acquisitions and support our existing partners.
- During the first quarter of 2000, Trimin reduced its indirect ownership in Burntsand by selling approximately 15% of its original position generating after-tax proceeds of $7.6 million.

Partner Highlights

Burntsand Once again Burntsand had a record year, growing revenues to $72.5 million, an 88% increase from 1999 and increasing EBITDA margin to approximately 15%. Cash earnings (before goodwill amortization) for 2000 were $6.2 million, up from $2.7 million in 1999.

Integrated Paving's Overall, Integrated Paving's revenue for 2000 was flat compared to last year with a decrease in sales of new applicator kits and tooling being offset by an increase in coating and international sales. With the increased investment in infrastructure intended to grow sales, operating profit was down substantially compared to last year. Despite this, Integrated Paving remained cash flow positive in 2000 and had $1.8 million in cash at year-end.

Snack Alliance Through internal growth and the purchase of certain assets of a major competitor, Snack Alliance significantly increased its US sales of private label potato chips making it the leading supplier of private label potato chips in the Western US. At year end, annualized sales to its Western US customers exceed $30 million, up from $12.5 million in 1999.

Report to Shareholders

Although our search for new Partners continued in 2000, no new additions were made during the year. The sale of Sybex in late 1999 together with the realization of part of our investment in Burntsand in early 2000 has provided Trimin liquid assets of over $46 million to invest. We continue to target established businesses with excellent management teams and solid growth opportunities. Our requirement that we share ownership with management continues. The only change has been in the size of the investments we are targeting. With our increased resources and no interest in expanding our number of Partners beyond five, we have significantly expanded our ideal investment size. With no new Partners in 2000, our focus was on our existing Partners – Burntsand Inc., Snakcorp Holdings Inc. and Integrated Paving Concepts Inc. – which on balance made excellent progress.

Probably the most significant growth came from Burntsand which almost doubled sales from $38.6 million to $72.5 million and tripled EBITDA from $3.2 million to $10.5 million. In November, Burntsand's success was recognized by the TSE which added it to its TSE 300 index. Like so many other technology companies, Burntsand's stock price peaked in March 2000. At its height, Burntsand's market capitalization came very close to $1 billion. Both Trimin and Burntsand reacted to the market opportunity. In February, Burntsand was able to complete a $60 million financing and Trimin was able to dispose of approximately 15% of it holdings. Although Burntsand entered 2001 with a much less exciting stock price, it has a profitable and growing business and has approximately $43.5 million of cash on hand to support its growth.

Snack Alliance entered 2000 with the goal of becoming the leading supplier of private label potato chips in the Western US, a goal it thought would take a few years to accomplish. However, in June 2000, Snack Alliance acquired much of the potato chip business of Granny Goose, a regional snack food company based in California. The Granny Goose acquisition, together with strong internal growth, doubled US sales from $12.5 million in 1999 to just over $23 million in 2000. Annual sales are now over $30 million and Snack Alliance enters 2001 having achieved its goal and is well positioned to leverage this leadership position into further growth.

With year-over-year sales flat and profitability down, progress at Integrated Paving was more modest. The challenge has been the transformation from a company which generated most of its sales and profits from the licensing of asphalt applicators to one which now relies on the increased sale of its coatings to its nearly 600 licensed applicators. With these challenges now more clearly understood, Integrated Paving has developed a far more regionally driven and focused approach to supporting its applicators. It is also working to expand its traditional distribution network beyond asphalt applicators into landscape and stamped concrete contractors who have the skills that are required to make a Streetprint business successful. As well, the commercial introduction this year of its new SP100 coating product, which is easier to apply and eliminates efflorescence, should also help. Integrated Paving enters 2001 cautiously optimistic that it is on its way to realizing the tremendous potential the Streetprint process offers.

To conclude, we want to thank again our shareholders for their support, and our employees, directors and Partners for their hard work, which has contributed to another solid year for Trimin.

On behalf of the Board,

James D. Meekison,
Chairman

Terry M. Holland,
President & Chief Executive Officer

Operations Review

Burntsand Inc.

Burntsand is a successful e-Business Solutions Integrator operating from eight North American locations. Burntsand operates from three North-South aligned regions, the East being run out of Toronto, Central out of Calgary and Pacific out of San Jose.

For the year ended December 31, 2000, Burntsand reported revenues of $72.5 million, up 88% from 1999. Burntsand's core e-Services revenue stream accounted for 81% of total sales in 2000, up from 63% in 1999. EBITDA increased to $10.5 million (14.5% of sales) for 2000 compared to $3.2 million (8.3% of sales) for 1999. Net income before goodwill amortization grew 139% from last year to $6.4 million in 2000. The acquisition of Altro Solutions Inc. increased the amortization of goodwill and other intangibles to $6.3 million for the year. Burntsand's net income has been impacted by the rapid three year amortization of acquisition costs associated with its past acquisitions.

The year 2000 was an extraordinary year for Burntsand. In the first quarter, Burntsand raised $49.5 million in equity financing. In October 2000, Burntsand acquired Altro Solutions Inc. with offices in San Jose and New York. Altro is a financially strong company with a significant client base including American Express, AT&T, Cisco Systems, Intel, MCI Worldcom and others. From a standing start five years ago, Burntsand's revenue run rate now exceeds $100 million with EBITDA margins approaching the 15% mark. In addition, Burntsand's customer base primarily includes traditional brick and mortar businesses and therefore the company is not subject to any significant dot-com exposure. Burntsand reached an important milestone in November 2000 when it was added to the TSE 300 Index. Being recognized as one of Canada's top performing companies, in such a short period of time, is a significant accomplishment.

Burntsand's strategy has been to build a diversified e-Services business consisting of core technical and strategic competencies and to deliver a complete solution to its customers. This strategy is a response to the shift by North American businesses from requiring only single point solutions such as e-CRM or e-Commerce to fully integrated e-Business solutions. From a competitive standpoint, Burntsand is well positioned to service the entire North American market with a diversified knowledge base supported by over 400 employees located in offices throughout Canada and the US. Retention of human resources is a key issue facing the services and technology industries. Burntsand is a leader amongst its peer group with less than 15% annualized attrition. This is a significant accomplishment in a very difficult year for the industry.

Integrated Paving Concepts Inc.

IPC, headquartered in Surrey, British Columbia, is an industrial technology company that manufactures and distributes products to the asphalt paving industry worldwide. IPC's primary product is the patented StreetPrint Pavement Texturing system, a decorative paving process that replicates traditional architectural designs and other decorative accents using asphalt.

IPC's 2000 sales growth was flat with revenues of $10.6 million compared to $10.7 million in 1999. On a segmented basis, North American sales decreased 6% from 1999 with almost a 50% drop in sales of kits to new applicators being offset by a 20% increase in sales of coatings. North American tooling revenue dropped 13% over last year. International sales continue to grow and represented 26% of total revenue.

IPC recruited 50 new applicators in 2000, down from 85 in 1999, bringing their total distribution base to approximately 588 active licensed applicators at year-end. New Applicator Kit sales represented 15% of total North American revenue in 2000 compared to 25% last year. IPC expects this percentage to continue declining as their coating sales accelerate. Coating sales represented 69% of North American revenue compared to 56% in 1999. Coatings growth was the result of a larger distribution base in 2000 and the increasing acceptance of

continued overleaf

StreetPrint Pavement Texturing. The decline in tooling revenue was primarily a result of the introduction of fewer new StreetPrint tooling products compared to the prior year.

Operating income (EBITDA) of $0.5 million is substantially down from 1999 EBITDA of $1.8 million. This reduction is a result of continued efforts to grow revenues through increased spending on product development, training, technical support, field representation, marketing and sales.

StreetPrint is a relatively new product in the decorative paving space and is unique in that it is asphalt based. IPC has spent the last several years building a distribution infrastructure consisting primarily of asphalt contractors. With 588 licensed applicators at the end of 2000, IPC has been quite successful at building its distribution network. For the majority of these applicators, incorporating the StreetPrint process into their business has not gone as well as IPC had expected. Learning to apply StreetPrint has had some challenges but probably the biggest challenge for many applicators has been learning how to sell it. A proactive sales approach which promotes features such as color and design, rather than price, represents a significant change in sales methods.

Now the challenge and opportunity is to provide applicators with the selling and technical skills necessary to make StreetPrint an increasingly important part of their ongoing businesses. The support will come through training in the selling and application of Streetprint as well as providing applicators with a number of "plug and play" marketing programs they can use to grow their business. A large part of Integrated Paving's focus for 2001 will be in providing training in these areas to a core group of its applicators.

Additional growth in 2001 is expected to come from the sale of the company's newly developed StreetHeat machines which allow applicators to apply StreetPrint independent to laying asphalt, thereby improving the efficiency of the StreetPrint application process. This also opens up the opportunity for Integrated Paving to pursue alternative distribution channels such as landscape architecture and installers of non-asphalt based decorative surfacing products such as stamped concrete.

Snack Alliance

Snack Alliance sells both private label and branded dip and salsa products in Western Canada and private label potato chips in Western North America. Senior management acquired Snack Alliance in 1995 and successfully restructured the Company into a focused snack food company with two business lines. Snack Alliance's dip and salsa business generates a strong and steady cash flow from a mature market. The private label potato chip business delivers positive and increasing cash flow from a growing market.

Snack Alliance entered the US private label potato chip market in 1996 and in 2000 generated $23.3 million in sales from this market compared to $12.5 million in 1999. Snack Alliance's current US private label revenue run rate is over $30 million and it sells its products into substantially all of the major grocers in the Western US.

Snack Alliance generated operating income of $3.1 million on total sales of $37.0 million compared to operating income of $1.7 million on sales of $39.9 million in 1999. The sales reduction and operating income increase from 1999 were a result of Snack Alliance's divestiture of its less profitable Canadian branded potato chip business in late 1999, offset by the significant growth in its more profitable US private label potato chip business in 2000.

Snack Alliance's private label strategy was developed on the premise that grocery retailers have lost control over the potato chip category due to the dominance of Frito Lay. Snack Alliance provides the retailer with a "managed brand" suite of products including various generic brand potato chips, such as Thin & Crispy Sweet Maui Onion, and their own store brand potato chips. The managed brand alternative provides retailers with the opportunity to sell high quality potato chips at low prices to compete with Frito Lay. This gives retailers the ability to improve their profits and differentiate themselves from competitors.

Snack Alliance's strategy was to become the leading supplier of private label potato chips in Western North America. With the purchase in 2000 of certain assets of a competitor and strong organic growth, including the addition of Wal-Mart in the later part of the year, Snack Alliance has achieved this goal. The company's long-term focus will be on strengthening its leading position in the West by gaining new retail accounts and growing its existing customers' managed brand category. The latter will be achieved by the continued introduction of high quality and innovative new products to the market. For example, Snack Alliance recently introduced its Ripples line of potato chips to the market, which include unique flavors such as Chile Limon and Cajun Creole.

Management's Discussion and Analysis

Operating Results and Financial Position

Overview

Trimin's financial results consolidate the operations of 50% held Snakcorp Holdings Inc. under the proportionate interest method of consolidation. Also included, under the equity method, are its interests in Integrated Paving Concepts Inc. and Burntsand Inc. Trimin's financial results for 1999 also include income from discontinued operations relating to the 1999 sale of Sybex, Inc. We refer you to the "Operations Review" section for a more detailed discussion of the results of each of our current Partners.

For the year ended December 31, 2000, Trimin reported net income of $12.1 million ($0.71 per share) compared with net income of $31.1 million ($1.79 per share) for the year ended December 31, 1999.

Income in 2000 included a $4.3 million dilution gain from its indirect investment in Burntsand and an $8.6 million pre-tax gain realized on the sale of approximately 15% of its indirect investment in Burntsand.

Net income in 1999 included earnings from discontinued operations in the amount of $31.4 million ($1.80 per share) arising from Sybex, Inc. Ignoring the discontinued operations in 1999, Trimin reported a loss from continuing operations of $248,000 ($0.01 per share). The 1999 loss from continuing operations included a $1.6 million dilution gain from its investment in Burntsand as well as a write down of certain investments by $1 million.

Financial Highlights

($000s except per share data) Years ended December 31

	2000	1999
Sales	18,510	1,563
Loss from operations	(1,032)	(1,525)
Income (loss) from continuing operations	12,125	(248)
Income from discontinued operations	–	31,357
Net income	12,125	31,109
Income (loss) per share from continuing operations	0.71	(0.01)
Earnings per share, basic	0.71	1.79

Trimin consolidates, on a proportionate basis, its investment in 50% owned Snack Alliance. The following tables provide a reconciliation of revenue and net income based on the contribution of each of our Partners:

($000's) Years ended December 31

	2000		1999	
	Sales	Net Income	Sales	Net Income
Snack Alliance	18,510	(33)	1,563	111
Integrated Paving Concepts	–	(436)	–	79
Burntsand	–	11	–	(36)
Dilution Gain (Burntsand)	–	4,313	–	1,637
Gain on sale of investments net of income taxes (Burntsand)	–	7,077		
Write-down of investments	–	–	–	(956)
Corporate/Other	–	1,193	–	(1,083)
Discontinued Operations (Sybex)	–	–	–	31,357
Total	18,510	12,125	1,563	31,109

Of the $18.5 million in sales, approximately $11.6 million (63%) were to customers outside of Canada, primarily to the United States.

Snakcorp Holdings Inc. ("Snack Alliance")

Trimin's consolidated revenue and earnings for the year-ended December 31, 2000 and 1999 included its 50% interest in Snack Alliance's results from the date of acquisition, being November 26, 1999. Snakcorp generated operating income of $3.1 million on total sales of $37 million compared to operating income of $1.7 million on sales of $41.9 million in 1999. The sales reduction and operating income increase from 1999 was a result of Snack Alliance's divestiture of its less profitable Canadian branded potato chip business in late 1999, partially offset by the significant growth in its US private label potato chip business in 2000. Snack Alliance generated pre-tax earnings of $916,000 in 2000 compared to $1.5 million in 1999. Earnings before tax in 1999 included a $2.7 million gain from the sale of its Canadian potato chip business. Trimin's share of the sales for 2000 and 1999 mounted to $18.5 million and $1.6 million respectively. Trimin's share of Snack Alliance's 2000 earnings from operations amounted to $1.6 million while its share of earnings, net of goodwill and other amortization amounted to a loss of $33,000.

Discontinued Operations

Income from discontinued operations for 1999 included a gain of $28.8 million ($1.65 per share) on the sale of Trimin's 62% interest in Sybex. This gain is based on a cost for accounting purposes, which in addition to the original purchase price includes Trimin's share of Sybex's earnings from the date of acquisition. The gain has been reduced by the income tax cost arising from the sale. Income from discontinued operations also included Trimin's share of Sybex's earnings to November 30, 1999 (the date Sybex was sold) in the amount of $2.6 million.

Other income & expenses

Interest & Dividends

Interest and dividend income during the year amounted to $3.1 million, up from $528,000 last year. The increase was primarily a result of the large cash and marketable securities balances maintained for the entire 12 months of 2000 compared to only one month in 1999. Trimin's strategy with respect to cash and marketable securities is to minimize risk while maximizing after-tax yield. Accordingly, Trimin's investments include a combination of high quality commercial paper and preferred shares with short-term retraction or redemption features.

Trimin also recorded $130,000 in interest and finance charges from Snack Alliance in 2000 compared to $21,000 last year. The increase in interest and finance charges over 1999 reflects Trimin's full year of ownership compared to only one month last year.

Selling and administrative

In addition to Trimin's proportionate interest in the selling and administrative costs related to Snack Alliance, Trimin incurred corporate costs during 2000 and 1999 in the amount of $1.4 million and $1.6 million respectively. These corporate costs primarily include salary and wages, occupancy, professional and project investigation expenses.

Equity income in affiliated companies

The Company accounts for its interest in Burntsand through 45% owned Interactive Selling Inc. and its 44.6% investment in Integrated Paving Concepts Inc. on an equity basis. For accounting purposes, Trimin's ownership interest in Integrated Paving equals 47.8%. The increase from its legal ownership is a result of shares issued to employees of Integrated Paving under the company's employee loan program. Although legally issued and outstanding, these shares are not considered to be outstanding for accounting purposes.

The equity income (loss) from affiliated companies is as follows:

	2000	($000s)	1999
Burntsand	**11**		(36)
Integrated Paving	**(436)**		79
Total	**(425)**		43

For the twelve months ended December 31, 2000, Burntsand reported earnings of $104,000 on sales of $72.5 million compared to a loss of $229,000 on sales of $38.6 million in 1999. Trimin's share of earnings for the twelve months ended December 31 amounted to $11,000.

Although net earnings before goodwill amortization increased from $2.7 million to $6.2 million in 2000, significant goodwill charges of $6.1 million (1999 – $2.9 million) resulted in only modest net income. Higher goodwill amortization arose from a combination of Burntsand's short three-year amortization period and the acquisition of Altro Solutions Inc. effective October 1, 2000.

For the twelve months ended December 31, 2000, Integrated Paving generated a loss of $460,000 on revenues of $10.6 million compared to earnings of 801,000 on revenues of $10.7 million for the same period in 1999. Trimin's share of net loss, net of goodwill amortization, for the twelve months ended December 31 amounted to $436,000.

In 2000, Integrated Paving's net income was affected by a $513,000 loss from the sale of its 50% investment in IPC Technologies Inc. as well as increased spending on its expanded sales and technical support teams.

Capital Resources and Liquidity

Trimin's Partners operate as autonomous units and their growth is generally self-financed. To the extent they are not able to self-finance their growth, part of Trimin's strategy is provide the necessary funding or to assist in obtaining the required capital from third parties. To this end, at the end of 2000, Trimin had approximately $46 million of cash and near cash assets available to invest in its existing Partners.

As at December 31, 2000, 100% of the consolidated debt of Trimin arises from Snack Alliance. Snack Alliance established new banking arrangements during 2000, which should allow it to meet its internal growth requirements.

Integrated Paving Concepts has cash balances of $1.8 million at year-end and minimal debt. With positive cash flow expected in 2001 and very little capital expenditure requirements, Integrated Paving is adequately financed to meet is anticipated requirements.

As a result of $43.5 million in cash balances at December 31, 2000, Burntsand has substantial cash available to fund its growth and working capital requirements for the foreseeable future.

Outlook

In the year ahead, Trimin will focus its efforts on growing its existing three Partners and adding a further one or two new Partners. Trimin's balance sheet is expected to remain strong and any new acquisitions during 2001 will be funded from its corporate cash. Although our Partners are growth oriented, each of them is well capitalized to pursue their initiatives and would only require further funding by Trimin if large acquisitions or investments were pursued.

Management's Responsibility for Financial Statements

To the Shareholders of Trimin Capital Corp.

The accompanying consolidated financial statements of Trimin and all the information in this annual report are the responsibility of management and have been approved by the Board of Directors.

The consolidated financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly, in all material respects. Management has prepared the financial information presented elsewhere in the annual report and has ensured that it is consistent with that in the consolidated financial statements.

Trimin and its operating subsidiaries maintain systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Company's assets are appropriately accounted for and safeguarded.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board and a majority of its members are outside directors. The Committee meets on an annual basis with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the annual report, the consolidated financial statements and the external auditors' report. The Committee reports its findings to the Board for consideration when approving the consolidated financial statements for issuance to the shareholders. The Committee also considers, for review by the Board and approval by the shareholders, the engagement or re-appointment of the external auditors on behalf of the shareholders.
Ernst & Young LLP has full and free access to the Audit Committee.

James D. Meekison,
Chairman

Terry M. Holland,
President & Chief Executive Officer

Auditors' Report

To the Shareholders of Trimin Capital Corp.

We have audited the consolidated balance sheets of Trimin Capital Corp. as at December 31, 2000 and 1999 and the consolidated statements of income and retained earnings and cash flow for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2000 and 1999 and the results of its operations and its cash flow for the years then ended in accordance with Canadian generally accepted accounting principles.

Vancouver, Canada,
April 3, 2001

Ernst & Young LLP

Chartered Accountants

Trimin Capital Corp.

(Incorporated under the Canada Business Corporations Act)

Consolidated Balance Sheets

As at December 31

	2000 $	[000s]	1999 $
ASSETS			
Current			
Cash and cash equivalents [note 4]	**5,731**		43,095
Marketable securities [market value - $36,130]	**36,130**		–
Accounts receivable [notes 2 , 4 and 10]	**3,051**		3,452
Inventory [notes 4, 5 and 10]	**960**		1,103
Prepaids and other assets	**153**		242
Current portion of deferred sale proceeds [note 15]	**2,486**		–
Current portion of loans and notes receivable [note 6]	**–**		500
Total current assets	**48,511**		48,392
Deferred sale proceeds [note 15]	**2,487**		4,526
Loans and notes receivable [note 6]	**258**		478
Long-term investments [note 7]	**21,919**		10,350
Fixed assets [notes 9 and 10]	**4,183**		3,076
Future income tax assets [notes 2 and 18]	**924**		–
Goodwill, net of accumulated amortization of $136 [1999 - $11][note 3]	**1,283**		2,481
Other assets	**266**		147
	79,831		69,450
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Bank demand loan	**–**		1,000
Accounts payable and accrued liabilities	**3,706**		4,139
Income taxes payable	**1,382**		2,642
Current portion of long-term debt [note 10]	**428**		42
Total current liabilities	**5,516**		7,823
Long-term debt [note 10]	**981**		154
Future income tax liabilities [notes 2 and 18]	**2,059**		–
Commitments [note 12]			
Shareholders' equity			
Share capital [note 13]	**28,424**		29,216
Contributed surplus [note 13]	**–**		468
Retained earnings	**42,851**		31,789
Total shareholders' equity	**71,275**		61,473
	79,831		69,450

See accompanying notes

On behalf of the Board: J. S. Mackin

Director **Director**

Consolidated Statements of Income and Retained Earnings

Years ended December 31

	2000 $	[000s] [except per share amounts]	1999 $
Sales	**18,510**		1,563
Cost of goods sold	**12,731**		1,015
Gross profit	**5,779**		548
Expenses			
Selling and administrative	**5,676**		2,011
Depreciation and amortization	**1,135**		62
	6,811		2,073
Loss from operations	**(1,032)**		(1,525)
Other income (expenses)			
Dilution gains [note 14]	**4,313**		1,637
Goodwill amortization	**(125)**		(11)
Provision for notes receivable	**–**		(956)
Interest income	**1,950**		528
Interest expense [note 10]	**(130)**		(21)
Dividend income	**1,105**		–
Equity earnings (loss) in affiliated companies [note 7]	**(425)**		43
Gain on sale of investments [note 7]	**8,600**		–
Other	**(262)**		74
	15,026		1,294
Income (loss) before income taxes and discontinued operations	**13,994**		(231)
Income taxes [note 18]			
Current	**1,819**		17
Future	**50**		–
	1,869		17
Income (loss) from continuing operations	**12,125**		(248)
Income from discontinued operations [note 15]	**–**		31,357
Net income	**12,125**		31,109
Retained earnings, beginning of the year	**31,789**		680
Change in accounting for income taxes [note 2]	**(730)**		–
Excess of purchase cost over stated value of common shares [note 13]	**(284)**		–
Repurchase of stock options [note 13]	**(49)**		–
Retained earnings, end of the year	**42,851**		31,789
Earnings (loss) per share from continuing operations			
Basic	**0.71**		(0.01)
Fully diluted	**0.67**		(0.01)
Earnings per share			
Basic	**0.71**		1.79
Fully diluted	**0.67**		1.67

See accompanying notes

Consolidated Statements of Cash Flow

Years ended December 31

	2000 $	[000s]	1999 $
OPERATING ACTIVITIES			
Income (loss) from continuing operations	**12,125**		(248)
Add (deduct) items not involving a current outflow of cash:			
Dilution gains	**(4,313)**		(1,637)
Provision for notes receivable	**–**		956
Depreciation and amortization	**1,260**		73
Future income taxes	**50**		–
Equity loss (earnings) in affiliated companies	**425**		(43)
Loss on sale of fixed assets	**31**		–
Gain on sale of investments	**(8,600)**		–
	978		(899)
Non-cash working capital changes [note 11]	**(1,101)**		2,193
Cash provided by (used in) continuing operations	**(123)**		1,294
Cash (used in) discontinued operations [note 15]	**–**		(3,139)
Cash (used in) operating activities	**(123)**		(1,845)
INVESTING ACTIVITIES			
Cash received from escrow [note 15]	**–**		1,642
Purchase of fixed assets, net of proceeds on disposal	**(334)**		(13)
Proceeds on sale of investments	**9,179**		–
Purchase of marketable securities	**(36,598)**		–
Increase in long-term investments	**(8,390)**		(225)
Net assets from business acquisition, net of cash acquired [note 3]	**–**		(4,677)
Purchase of other assets	**(225)**		–
Proceeds from disposal of discontinued operations, net of cash and cash equivalents [note 15]	**–**		41,492
Loans and notes receivable	**507**		(285)
Cash provided by (used in) investing activities	**(35,861)**		37,934
FINANCING ACTIVITIES			
Issuance of common shares [note 13]	**125**		–
Repurchase of common shares [note 13]	**(1,669)**		(374)
Repurchase of stock options [note 13]	**(49)**		–
Repayment of bank demand loan	**(1,000)**		–
Repayment of long-term debt	**(42)**		–
Issuance of long-term debt	**1,255**		–
Cash (used in) financing activities	**(1,380)**		(374)
Increase (decrease) in cash and cash equivalents	**(37,364)**		35,715
Cash and cash equivalents, beginning of the year	**43,095**		7,380
Cash and cash equivalents, end of the year	**5,731**		43,095

See accompanying notes

1. NATURE OF OPERATIONS

Trimin Capital Corp. is a management company. The Company's strategy is to acquire significant equity interests in operating businesses. At December 31, 2000, the Company had equity interests in a snack food manufacturer (Snakcorp Holdings Inc.), an industrial technology company in the asphalt paving industry (Integrated Paving Concepts Inc.) and an e-business solutions integrator (Burntsand Inc.).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The Company's interests in 50% owned Snakcorp Holdings Inc. ("Snack Alliance"), and Snakcorp's wholly-owned subsidiaries Nalley's Canada Limited and Snakcorp, Inc., and 45% owned [1999 - 50% owned] Interactive Selling Inc. ("ISI"), which holds the investment in Burntsand Inc. ("Burntsand"), are accounted for using the proportionate consolidation method. Under the proportionate consolidation method, the proportionate share of joint venture revenues, expenses, assets and liabilities are included in these consolidated financial statements. The Company's interest in 47.8% owned [1999 - 41.6% owned] Integrated Paving Concepts Inc. ("IPC") is accounted for using the equity method.

Management's estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilized in preparing the consolidated financial statements are reasonable and prudent; however, actual results could differ from these estimates.

Cash and cash equivalents

Cash and cash equivalents is comprised of cash balances held at financial institutions and commercial paper with initial terms to maturity of three months or less, which are valued at amortized cost, which approximates current market value.

Marketable securities

Marketable securities, consisting of publicly traded preferred shares, are valued at the lower of cost and market value, determined on an aggregate basis.

Inventory

Raw materials inventory is recorded at the lower of standard cost, which approximates actual cost, and replacement cost. Inventory of finished goods is recorded at the lower of standard cost, which approximates actual cost, and net realizable value.

Long-term investments

Investments in companies over which the Company exercises significant influence are accounted for by the equity method. Investments in companies over which the Company does not exercise significant influence are recorded at cost less write downs for declines in value that are other than temporary.

Fixed assets

Fixed assets are recorded at cost less accumulated depreciation. Depreciation is provided on a straight-line basis over the estimated useful life of the related assets at the following rates:

Leasehold improvements	**2 to 10 years**
Building and improvements	**10 years**
Machinery and equipment	**2 to 10 years**

Leasehold improvements are amortized on a straight-line basis over the shorter of the lease term or their estimated useful life.

Goodwill

The excess of the purchase price over the fair market value of the net assets of investees is being amortized on a straight-line basis over twenty years. Goodwill is written down to net recoverable value when declines in value are considered to be other than temporary based upon expected undiscounted cash flows of the respective investee.

Foreign exchange translation

Monetary assets and liabilities denominated in foreign currencies are translated at the year-end exchange rates. Other assets, liabilities, revenues and expenses are translated at the rates prevailing on the respective transaction dates. Exchange gains and losses are recognized in net income for the year.

Revenue recognition

Revenue from the sale of products to customers is recognized at the time the goods are shipped.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Credit risk

Financial instruments which potentially subject the Company to credit risk consist primarily of cash and cash equivalents, marketable securities and trade accounts receivable. Although a substantial portion of the Company's debtors' ability to pay is dependent on the grocery retailing industry, credit risk with respect to trade accounts receivable is minimized by a diverse customer base and its geographic dispersion. The Company performs ongoing credit evaluations of customers' financial condition and limits the amount of credit extended when deemed necessary. The Company maintains a provision for potential bad debts. Losses to date have been within management's expectations. As at December 31, 2000, one customer in Canada represented 19% [1999 - 13%] of accounts receivable. As at December 31, 2000, investments in preferred shares of one public entity represented 36% of marketable securities.

Income taxes

Effective January 1, 2000, The Canadian Institute of Chartered Accountants ("CICA") adopted new accounting standards relating to the accounting for income taxes.

The new accounting standards require a change from the deferral method to the liability method of accounting for income taxes. Under this new standard, future income tax assets and future income tax liabilities are determined based on temporary differences (differences between the tax basis and the accounting basis of assets and liabilities) and are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability is settled. A valuation allowance is recorded against any future income tax asset if it is more likely than not that the asset will not be realized. Income tax expense or benefit is the sum of the provision for current income taxes and the difference between the opening and ending balances of the future income tax assets and liabilities.

The new accounting standards were adopted on a retroactive basis, without restatement of any prior periods. The cumulative effect of this accounting policy change has been recorded at January 1, 2000 as a reduction in retained earnings of $730,000, an increase in net future income tax assets of $46,000, an increase in fixed assets of $1,428,000, and an increase in future income tax liabilities of $2,204,000.

Earnings per share

Earnings per share is based on the weighted average number of common shares outstanding for the year. The calculation of fully diluted earnings per share assumes that all outstanding options have been exercised at the beginning of the fiscal year or the option issuance date, if later.

Fair value of financial instruments

The carrying value of cash and cash equivalents, accounts receivable, bank demand loan, accounts payable and accrued liabilities and income taxes payable approximate their fair value due to the short-term maturities of these instruments.

Stock-based compensation plans

The Company has one stock-based compensation plan, which is described in Note 13. No compensation expense is recognized for this plan when stock or stock options are issued to employees. Any consideration paid by employees on exercise of stock options or purchase of stock is credited to share capital. If stock or stock options are repurchased from employees, the excess of the consideration paid over the carrying amount of the stock or stock option cancelled is charged to retained earnings.

Pension benefits

During 2000, Snack Alliance adopted the new accounting standards of the CICA on Employee Future Benefits, on a prospective basis. The Snack Alliance benefit plan consists of a defined contribution retirement plan and benefits are funded by Snack Alliance as they become due. Snack Alliance recognizes the cost of these benefits over the period in which the employees render services to Snack Alliance in return for the benefits.

Comparative figures

Certain of the prior year figures have been restated to conform with the current year's presentation.

3. BUSINESS ACQUISITION

On November 26, 1999, the Company acquired a 50% interest in Snack Alliance for cash consideration of $4,833,826. The consolidated financial statements of the Company reflect the results of the operations and cash flow of Snack Alliance from the date of acquisition, accounted for on a proportionate consolidation basis.

The cost of the investment in Snack Alliance exceeds the fair value of the net assets of Snack Alliance, resulting in goodwill of $2,492,000, which is being amortized on a straight line basis over twenty years.

Details of the acquisition are as follows:

	$[000s]
Cash	157
Non-cash working capital	(1,620)
Fixed assets	4,441
Other long-term assets	2,463
Goodwill	2,492
Bank indebtedness	(1,500)
Long-term debt	(159)
Future tax liability	(1,440)
Net assets acquired	4,834

At the date of acquisition, the future tax benefits of non-capital loss carryforwards were not recognized by the Company as their realization was not certain. During 2000, Snack Alliance recorded future tax assets of $1,073,000 in respect of these non-capital loss carryforwards as their realization was determined to be more likely then not. Accordingly, goodwill in connection with the acquisition of Snack Alliance has been reduced by the amount of these future tax assets.

4. CASH AND CASH EQUIVALENTS

	2000		1999
	$	[000s]	$
Unrestricted cash	**5,675**		43,095
Restricted cash	**165**		–
Revolving line of credit	**(109)**		–
	5,731		43,095

Restricted cash is placed in a lock-box account held at the bank. Once deposited cheques are cleared, cash is automatically withdrawn to pay down the revolving line of credit.

The revolving line of credit is an operating loan, is due on demand, bears interest at the index rate plus 3.75% per annum and is collateralized by a general security agreement, covering accounts receivable and inventory. The index rate is defined as the latest rate for 30-day dealer placed commercial paper effective on the last business day of each calendar month for calculation of interest for the following month.

5. INVENTORY

	2000		1999
	$	[000s]	$
Raw materials	**574**		534
Finished goods	**386**		569
	960		1,103

6. LOANS AND NOTES RECEIVABLE

	2000 $	[000s]	1999 $
Trimin			
Loan receivable from employee, interest at prime, due May 19, 2006 [7.50% at December 31, 2000; 6.50% at December 31, 1999]	**87**		103
Loan receivable from ISI joint venturers, interest at 10% per annum [see Note 7]	**–**		230
Note receivable from ISI joint venturers, non-interest bearing, due December 31, 2000 [see Note 7]	**–**		500
Note receivable from Castle Management Inc., non-interest bearing (U.S. $1,780,000), net of provision for uncollectible amounts	**–**		–
Note receivable from N-VIRO Systems Canada Inc., 7% per annum	**171**		145
	258		978
Less current portion	**–**		500
	258		478

At December 31, 2000, the fair market value of the loans and notes receivable was $226,000 [1999 - $909,000]. The fair market value of loans and notes receivable has been determined based on the contractual cash flows discounted at the current market rates of interest for similar loans and notes receivable.

7. INVESTMENTS

Long-term investments	Investment 2000 $	Equity earnings (loss) 2000 $	Investment 1999 $	Equity earnings (loss) 1999 $
Burntsand Inc. [a]	**6,507**	**11**	2,857	(36)
Integrated Paving Concepts Inc. [b]	**7,041**	**(436)**	7,254	79
Public entities [c]	**6,197**	**–**	239	–
Private entities [d]	**2,174**	**–**	–	–
	21,919	**(425)**	10,350	43

[000s]

[a] Investment consists of the Company's proportionate interest in Burntsand, which is held through jointly controlled ISI. ISI's investment consists of 8,987,038 common shares [1999 - 10,587,038]. During 2000, ISI repaid the Company's advances. Pursuant to the terms of a shareholders' agreement, the Company had a 50% interest in ISI, until ISI had repaid all of its advances, together with a compounded annual return on the funds advanced of 25%, after which its economic interest was reduced to 45%.

During 2000, ISI sold 1,600,000 common shares of Burntsand for cash proceeds of approximately $19,727,000, resulting in a gain of approximately $18,866,000, the Company's proportionate share of which is approximately $8,600,000.

During 2000, the Company received a dividend from ISI in the amount of $7,657,717.

During 2000, Burntsand issued 12,721,247 [1999 - 15,670,705] shares as a result of special warrant placements, stock options being exercised and acquisitions. As a result of these activities and ISI's sale of 1,600,000 Burntsand shares, ISI owned 13.9% of Burntsand at December 31, 2000 [1999 - 20.4%]. At December 31, 2000, the fair market value of the Company's investment in Burntsand, based on quoted market values, was approximately $17,000,000 [1999 - $21,000,000].

[b] Investment consists of 3,332,947 common shares [1999 - 3,110,847], representing a 47.8% [1999 - 41.6%] interest. The excess of the cost of the investment in IPC over the fair market value of the net assets of IPC, amounting to $4,393,758 [1999 -$4,676,758], is represented by goodwill. At December 31, 2000, the fair market value of the investment in IPC, based on quoted market values, was approximately $1,467,000 [1999 - $2,644,000].

During 2000, the Company increased its ownership in IPC from 41.6% to 47.8% as a result of purchases of 222,100 common shares of IPC on the open market for cash consideration of $223,349 and adjustments for employee share loan purchases. During 1999, IPC acquired 648,167 shares of its common stock pursuant to an issuer bid repurchase. This resulted in the Company's interest in IPC increasing to 41.6% at December 31, 1999.

The difference between the costs of acquiring the Company's interests and the equivalent portion of the net assets recorded in the books of IPC has been recorded as goodwill.

[c] Investment consists of shares of two public entities. At December 31, 2000, the fair market value of the investment in public entities, based on quoted market values, was approximately $5,400,000.

[d] Investments consist of shares of two private entities. The fair market value of these investments approximates their carrying value.

8. JOINT VENTURES

The Company's proportionate share of interests in Snack Alliance and ISI at December 31 are included in the consolidated financial statements and are summarized in the table below:

	2000 $	[000s]	1999 $
Current assets	**4,283**		3,621
Other assets	**9,269**		4,564
	13,552		8,185
Current liabilities	**5,115**		4,147
Long-term debt	**981**		1,530
Future tax liability	**398**		–
Equity	**7,058**		2,508
	13,552		8,185
Revenues and other income	**32,562**		3,199
Expenses	**20,136**		1,481
Net income	**12,426**		1,718
Cash flows from:			
Operating activities	**(7,477)**		152
Investing activities	**7,507**		129
Financing activities	**(78)**		–

9. FIXED ASSETS

	Cost $	[000s]	Accumulated depreciation $	[000s]	Net book value $
December 31, 2000					
Leasehold improvements	**224**		**144**		**80**
Buildings and improvements	**1,379**		**149**		**1,230**
Machinery and equipment	**3,972**		**1,099**		**2,873**
	5,575		**1,392**		**4,183**
December 31, 1999					
Leasehold improvements	109		–		109
Buildings and improvements	750		6		744
Machinery and equipment	2,256		33		2,223
	3,115		39		3,076

10. LONG -TERM DEBT

	Maturity dates	Interest rates	2000 $	[000s] 1999 $
Snack Alliance				
Promissory note [a]	2003	Imputed rate of 12%	**154**	196
Term loan [b]	2003	Index rate + 4.25%	**927**	-
Term loan [c]	2002	Index rate + 5%	**328**	-
			1,409	196
Less current portion			**428**	42
			981	154

10. LONG -TERM DEBT (cont'd)

[a] The promissory note of Snack Alliance was issued as full settlement for the repurchase of Snack Alliance common shares and is unsecured, subordinate to the bank and without interest. The amounts reported above reflect the fair market value whereby the face value of the note has been discounted using an imputed interest rate of 12%. The rate approximates a market rate of interest for a financial obligation of a similar nature.

[b] The term loan is payable monthly, with principal repayments of $16,253 per month, maturing September 1, 2003.

[c] The term loan is payable monthly, with principal repayments of $15,665 per month, maturing September 1, 2002.

The index rate is defined as the latest rate for 30-day dealer placed commercial paper effective on the last business day of each calendar month for calculation of interest for the following month. The index rate at December 31, 2000 was 6.65%.

The term loans are collateralized by a general security agreement covering accounts receivable, inventory, fixed assets, intangible assets and cash flows.

At December 31, 2000, the fair market value of the long-term debt was $1,409,000 [1999 - $196,000]. The fair market value of long-term debt has been determined based on current market rates of interest for similar long-term debt.

Interest expense on long-term debt for the year ended December 31, 2000 amounted to $65,000 [1999 - $21,000 from date of acquisition].

Consolidated long-term debt repayments are:

	$[000s]
2001	428
2002	389
2003	592
	1,409

11. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash working capital changes	**2000** **$**	[000s]	1999 $
Accounts receivable	**540**		(1,360)
Prepaids and other assets	**4**		2
Inventory	**144**		–
Accounts payable and accrued liabilities	**(523)**		909
Income taxes payable	**(1,260)**		2,642
Other	**(6)**		–
	(1,101)		2,193

Interest and tax payments	**2000** **$**	[000s]	1999 $
Interest	**142**		21
Income taxes	**2,968**		17

12. COMMITMENTS

[a] Snack Alliance is committed to payments under operating leases for equipment, buildings and vehicles through to the year 2004. The Company's proportionate share of the annual payments in the next four years is as follows:

	$[000s]
2001	343
2002	202
2003	59
2004	11
Thereafter	–
	615

[b] The Company's proportionate share of Snack Alliance's commitment under a water supply agreement and waste water disposal agreement is approximately $80,000 per year over the term of the lease, which expires in 2006.

[c] The Company's proportionate share of Snack Alliance's commitment for purchase of custom order packaging inventories as at December 31, 2000 is approximately $320,000.

13. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value. Shares issued and outstanding:

	Shares	$[000s]
Balance, December 31, 1998	17,578,491	29,801
Shares repurchased for cancellation	(345,314)	(585)
Balance, December 31, 1999	17,233,177	29,216
Shares issued for cash	100,000	125
Shares repurchased for cancellation	(541,800)	(917)
Balance, December 31, 2000	**16,791,377**	**28,424**

The Company from time to time files a normal course issuer bid with The Toronto Stock Exchange to allow for the purchase of its shares. The Company has issuer bids in place for the purchase of up to 826,128 common shares by the Company during the periods December 11, 2000 to December 10, 2001 and December 8, 1999 to December 7, 2000.

During the year ended December 31, 2000, 541,800 common shares were purchased at an average price of $3.08 and a total cash cost of $1,669,060. The excess of the purchase cost over the stated value of the common shares, amounting to $751,884, has been charged to contributed surplus as to $468,128, with the excess of $283,756 being charged to retained earnings.

During 1999, 345,314 shares were purchased at an average price of $1.08 and a total cost of approximately $374,000. The excess of the stated value of the common shares over the purchase cost, amounting to $213,128, has been credited to contributed surplus.

Options

At December 31, 2000, the Company had stock options outstanding for 1,150,000 [1999 - 1,290,000] common shares under its stock option plan. These options become exercisable at prices varying from $1.25 to $1.70 per share with a weighted average price of $1.25 per share and expire from September 14, 2003 to August 17, 2004.

All options vest over a four-year period subsequent to issue and expire on the earlier of the fifth anniversary of issue or on the termination of services.

Stock option transactions for the respective years were as follows:

	Shares	Weighted average exercise price 2000	Shares	Weighted average exercise price 1999
Outstanding, beginning of year	**1,290,000**	**$1.26**	1,260,000	$1.25
Granted	**–**	**–**	30,000	$1.70
Exercised and repurchased	**140,000**	**$1.25**	–	–
Outstanding, end of year	**1,150,000**	**$1.25**	1,290,000	$1.26
Exercisable, end of year	**668,000**	**$1.26**	510,000	$1.25
Weighted average remaining contractual life	**2.8 years**		3.8 years	

During 2000, 100,000 options were exercised for cash consideration of $125,000. In addition, an employee elected to have the Company repurchase 40,000 stock options for cash consideration of $49,000.

14. DILUTION GAINS

During 2000, ISI's interest in Burntsand decreased from 20.4% to 13.9% [1999 – 29.2% to 20.4%] as a result of warrant financing, options being exercised, acquisitions and sale of Burntsand shares [see note 7]. The share issuances by Burntsand resulted in dilution gains of $4,313,000 for the year ended December 31, 2000 [1999 – $1,637,000].

15. DISPOSAL OF SYBEX, INC.

On December 1, 1999, the Company completed the sale of its 62.4% interest in Sybex for consideration of $46,541,000. Accordingly, Sybex has been accounted for as a discontinued operation and the results of operations of Sybex for the period to January 1, 1999 to December 1, 1999 have been restated as income from discontinued operations.

Under the terms of the Sybex sale agreement, U.S. $5,000,000 is held in escrow to cover any future claims for indemnification by the purchaser. The escrow amount and accrued interest, net of successful claims, if any, is to be paid out in two equal installments at 18 months and 36 months from the sale completion date, December 1, 1999. As at December 31, 2000, the Company's 62.4% share of the deferred sales proceeds escrow fund, including accrued interest to date, is approximately Cdn. $4,973,000 [1999 - $4,526,000].

Details of the assets and liabilities disposed of are as follows:

	$[000s]
Cash and cash equivalents	523
Non-cash assets	45,666
Total liabilities	(33,199)
Net book value of disposition	12,990
Total disposal consideration consists of:	
Cash consideration	42,015
Deferred sales proceeds	4,526
Total disposal consideration	46,541

Revenue from discontinued operations and the results of the discontinued operations are as follows:

	Period from January 1, 1999 to date of discontinuance $[000s]
Revenues from discontinued operations	79,245
Income from discontinued operation (net of income taxes of $2,530)	2,579
Gain on disposal of Sybex (net of income taxes of $2,602)	28,778
	31,357

16. PENSION COSTS AND OBLIGATIONS

Snack Alliance maintains a contributory defined benefit plan covering its management employees. An actuarial valuation as at December 31, 1999 estimated the present value of the Company's proportionate share of accrued pension benefits at $368,000 and the value of pension fund assets at $378,000.

In addition, Snack Alliance maintains a non-contributory defined benefit plan covering its hourly paid employees. The Company's proportionate share of pension fund assets as at December 31, 1999 was $145,000. The present value of accrued pension fund benefits attributed to services rendered to December 31, 1999 was $62,000.

Effective January 1, 2000, Snakcorp merged the two above noted pension plans into one and then converted the consolidated plan from a defined benefit plan to a defined contribution plan. This resulted in all pension plan assets being transferred directly or indirectly to plan members. The assets were either used to purchase annuities for inactive members or transferred to individual accounts for active members. The surplus was used to fund Snack Alliance's ongoing contribution requirements.

17. SEGMENTED INFORMATION

The Company's business operations are grouped into two geographic segments as follows:

	2000		1999
	$	[000s]	$
Canada			
Sales	**6,875**		1,067
Gross profit	**1,937**		277
Fixed assets and goodwill	**124**		154
United States			
Sales	**11,635**		496
Gross profit	**3,842**		271
Fixed assets and goodwill	**5,342**		5,403

During 2000, sales to one customer exceeded 10% and amounted to 21% [1999 - 23%] of total sales.

18. INCOME TAXES

Future income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's future tax liabilities and assets are as follows:

For the year ended December 31, 2000	$[000s]
Future tax liabilities	
Capital cost allowance claimed for income tax purposes in excess of depreciation and amortization	(1,194)
Unrealized foreign exchange losses	(13)
Reserve claimed for income tax purposes for deferred sale proceeds recorded for accounting purposes	(282)
Equity accounted investments	(532)
Other	(38)
Total future tax liabilities	(2,059)
Future tax assets	
Deferred financing costs	125
Non-capital loss carryforwards	799
Total future tax assets	924
Net future tax liabilities	(1,135)

Significant components of the provision for income taxes attributable to continuing operations are as follows:

For the years ended December 31	**Liability Method**		**Deferral Method**
	2000		1999
	$	[000s]	$
Current tax expense	**1,819**		17
Future income tax expense resulting from change in income tax rates	**(1,000)**		–
Future income tax expense relating to origination and reversal of temporary differences	**983**		–
Other	**67**		–
Income tax expense	**1,869**		17

18. INCOME TAXES (cont'd)

The Company's proportionate share of Snack Alliance's non-capital loss carryforwards totals approximately $3,129,000. The non-capital losses can be used by Snack Alliance to reduce taxable income in future years. If not utilized, $648,000 of these losses will expire in 2003, $2,046,000 in 2004 and $435,000 expires thereafter.

The reconciliation of income tax attributable to continuing operations computed at the statutory tax rates to income tax expense is:

For the years ended December 31	Liability Method 2000 $	[000s]	Deferral Method 1999 $
Combined Canadian federal and provincial statutory income tax rates, including surtaxes (percent)	**44.5**		44.5
Statutory income tax rates applied to accounting income	**6,227**		(103)
Increase (decrease) in provision for income taxes			
Non-taxable portion of gain on sale of investments	**(3,055)**		(728)
Refundable income taxes recovered	**(1,165)**		–
Non-recognized temporary differences	**1,029**		–
Future income tax rate changes	**(1,000)**		–
Non-taxable dividends	**(492)**		–
Equity loss (earnings) in affiliated companies	**189**		(19)
Non-deductible goodwill amortization	**56**		5
Benefits of losses applied against gains from discontinued operations	**–**		758
Non-capital losses carried forward for utilization in future periods, not recognized	**–**		137
Other	**80**		(33)
Provision for income taxes	**1,869**		17
Effective rate of income taxes (percent)	**13.4**		7.4

Strategy for Growth

Trimin Capital's goal is to generate superior returns for its shareholders and build value through investments in a select group of operating companies – its "Partners in Industry". Success will come through the careful deployment of capital and a combination of the established financial skills of Trimin's corporate management and the strong operating management teams of acquired businesses.

Trimin will invest on its own or in the case of larger transactions, in combination with a financial partner. Regardless of the size of the investment, Trimin will seek acquisitions where:

- target Partners have strong managers committed to growing their operations both in sales and profitability and who currently hold or are prepared to make a significant equity investment in their own business (sharing ownership with proven managers of profitable businesses is fundamental to Trimin's investment strategy);
- there is a willingness by a Partner to share a significant portion of their business (typically Trimin looks for at least a 40% equity stake);
- the Partner is well established in its particular market, with a clear and distinctive competitive advantage and significant potential to grow; and
- Partners benefit from the comprehensive management skills and financial resources Trimin brings to the table (Trimin's management has had great success in working with their Partners, especially in the areas of strategy development, capital allocation, acquisitions and financing).

Investment Information

Directors and Officers

Robert G. Atkinson*
Director

Stephen T. Bellringer
Director

Terry M. Holland*
President, Director and Chief Executive Officer

W. G. Kanke*
Director

James D. Meekison
Chairman & Director

Paul D. McCurry
Vice President & Secretary

**Audit Committee Member*

Registered Office:

Borden Ladner Gervais
900 Waterfront Centre
200 Burrard Street
P.O. Box 48600
Vancouver, B.C. V7X 1T2

Registrar and Transfer Agent

CIBC Mellon Trust Company
Vancouver, B.C.

Auditors

Ernst & Young LLP
700 West Georgia Street
P.O. Box 10101 Pacific Centre
Vancouver, B.C. V7Y 1C7

Market Information

Symbol: TMN

Stock Exchange: Toronto

2000 price range: $2.65 to $4.25

2000 volume: 1,439,561

Shares outstanding at December 31, 2000:
16,791,377

Partners in Industry

Snakcorp Holdings Inc.

Pat Lindenbach, Chairman

John P. Frostad, President
and Chief Executive Officer

Snack Alliance Inc.
Your Partner in Snack Foods

Integrated Paving Concepts Inc.

John Simmons, Chairman
and Chief Executive Officer

Scott Hind, President

StreetPrint
PAVEMENT TEXTURING

Burntsand Inc.

James R. Yeates, Chairman

Paul Bertin, President
and Chief Executive Officer

Burntsand
Business to the power of e

Annual General Meeting

The Annual General Meeting for **Trimin Capital Corp.** will be held at 11:30 a.m. on June 4, 2001 in the Plaza West Ballroom, Hyatt Regency Hotel, 655 Burrard Street, Vancouver, British Columbia.

Building for the future

Trimin Capital Corp.
Vancouver Office
Suite 1650
1075 West Georgia Street
Vancouver, British Columbia
V6E 3C9
Telephone: (604) 688-4693
Fax: (604) 688-3419

Toronto Office
Suite 3400
2 Bloor Street West
PO Box 79
Toronto, Ontario
M4W 3E2
Telephone: (416) 963-8880
Fax: (416) 963-8788

Web Site: www.trimin.com

y Partners in Industry Partners in Industry Partners in Industry Partners in Industry Partners in Industry Partners in Industry Partners in Industry Partners in
ndustry Partners in Industry Partners in Industry Partners in Industry Partners in Industry Partners in Industry Partners in Industry Partners in Industry Partr
s in Industry Partners in Industry Partners in Industry Partners in Industry Partners in Industry Partners in Industry Partners in Industry Partners in Industry F
ers in Industry Partners in Industry Partners in Industry Partners in Industry Partners in Industry Partners in Industry Partners in Industry Partners in Industr

TriminCapital

Vancouver Office

Suite 1650
1075 West Georgia Street
Vancouver, British Columbia
V6E 3C9

Telephone: (604) 688-4693

Fax: (604) 688-3419

Toronto Office

Suite 3400
2 Bloor Street West
PO Box 79
Toronto, Ontario
M4W 3E2

Telephone: (416) 963-8880

Fax: (416) 963-8788

Web Site: www.trimin.com